*from the office of*

# *Senator Edward M. Kennedy*

*of Massachusetts*

SENATOR KENNEDY RELEASES GAO REPORTS ON LAOS AND COMMENTS ON WAR RELATED CIVILIAN PROBLEMS IN INDOCHINA

HOLD FOR RELEASE:
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Senator Edward M. Kennedy, Chairman of the Judiciary Subcommittee on Refugees, today released heavily "sanitized" summaries of two classified reports on war victims in Laos prepared by the General Accounting Office (GAO), the independent investigating agency of Congress.

The GAO reports are the last released in a series of studies on war-related civilian problems in Vietnam and Laos, requested by Senator Kennedy. The reports are part of the Subcommittee's continuing effort since 1965 to document these basically humanitarian problems, and upgrade official priority and concern for civilian suffering and needed relief programs.

The findings released today are severely critical of U.S. sponsored programs for refugees and civilian war casualties in Laos. The findings charge --

-- that official statistics on war victims and other data are "incomplete" and "of doubtful validity" -- the problems are much more serious than officially stated;

-- that AID humanitarian programs for war victims apparently still serve as a principle "cover" for significant amounts of assistance to Lao military and paramilitary units and their dependents -- for example, nearly 50 percent of funds allocated to the AID Village Health Program are being used to support CIA military activities;

-- that because of sloppy management and lack of records AID "cannot state with any degree of assurance" that US assistance "has been accomplished as effectively, efficiently, and economically as the situation in Laos permits" -- the situation has let to such things as the "wholesale diversion of drugs";

-- that refugee villages are often overcrowded, congested, dirty, and without adequate water supplies, health facilities, etc.;

-- that the mortality rate in these villages is often extremely high, up to 250 percent above accepted AID "standards";

-- that health facilities are often overcrowded, dirty, and without adequate facilities, and that urgent health problems exist in many areas.

Senator Kennedy said: "I am dismayed that once again the GAO has uncovered an extraordinarily tragic situation which adds heavily to the crisis of people developing throughout Indochina. The escalating human toll throughout the region continues to be of too little concern to our government, which bears a heavy responsibility for contributing to the tradegy."

(For further information call the Subc. on Refugees, on 225-4118.)

"Sanitized" Summary of GAO Report on THE CIVILIAN HEALTH AND WAR CASUALTY PROGRAM IN LAOS

## Introduction

1) "USAID/Laos does not have a civilian health and war casualty program as such in Laos. Assistance rendered in this area is included as part of the Public Health Development Program. This program consists of the Operation Brotherhood Project, the Village Health Project...."

   a) Operation Brotherhood helps to operate hospitals in 7 municipal centers through contract with a Filipino charitable group.

   b) The Village Health Project supports numerous dispensaries, as well as a couple of hospital facilities. Although the stated purpose of the AID sponsored Village Health Project is classified "secret" in the GAO report, unclassified official sources clearly state the Project's purpose is "to provide medical support to paramilitary personnel and their dependents, and refugees generated by military action."

2) AID funding, fiscal years 1964 through 1970 --

   a) Operation Brotherhood: $7.4 million
   b) Village Health Project: $9.4 million
   c) Some $4.4 million in local currency generated from general U.S. assistance to Laos.

3) Non-AID medical assistance:

   a) UN teaching personnel in Lao medical and nursing schools.
   b) Assistance from voluntary agencies, mainly Asian Christian Service and the Thomas A. Dooley Foundation
   c) Other U.S. government agencies.

## Assistance to Lao Military, Paramilitary Forces and Their Dependents

1) This chapter of the GAO report is classified "secret".

2) This chapter, however, documents and supports independent findings of the Subcommittee, based on field study and additional investigation not involving official government sources. Some of these findings are as follows;

   a) Although AID officials generally recognize that economic assistance funds should not be used as a cover to finance military activities, AID has apparently continued to furnish substantial amounts of medical supplies to Lao military, et al. This has apparently been done on a non-reimbursable basis, and with little or no control over the distribution and actual use of the supplies.

   b) After hearings by the Subcommittee on Refugees in May, 1970, USAID/Laos proposed that a cost sharing agreement pertaining to U.S. support of Lao military, et al, be negotiated by AID with the appropriate U.S. government agencies involved. There is no evidence to suggest remedial action has been taken.

   c) It is estimated that some 50 percent of the funds currently obligated to refugees under the AID Village Health Project are being used for medical assistance to Lao military et al.

   d) Additional assistance has been furnished through at least one Operation Brotherhood Hospital, which has been handling military cases.

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Observations on USAID Management

1) "Management of the program has been delegated largely to the field."

2) U.S. Mission management officials in Vientiane do not attempt "to monitor in any detail the activities of technical divisions such as the Public Health Division.... Written procedures governing the operations of the Public Health Division were not considered necessary because the Division Chief has held that position from the inception of the program seven years ago and because the management of the medical program was carried out largely on a personal basis."

3) Priorities not observed:

   a) USAID officials say "that the Village Health Project has top priority within the total USAID program.... USAID officials have advised that the first three of five priority categories in order of importance are (1) Stabilization, (2) Security, and (3) Maintenance. The Village Health Project is under the security category, whereas the Operation Brotherhood Project is under the maintenance category."

   b) GAO says that, despite the stated importance of these projects, "management actions were not in consonance with an undertaking considered so highly. We found that the Public Health Division was generally reacting to the exigencies of the situation and that there was little emphasis placed on the development of long-range plans relative to civilian war casualties. For example, USAID has no organized reporting system for civilian war casualties in Laos until after the inquiry from the Subcommittee on Refugees in March, 1970." The situation "precluded any substantive development of long-range plans."

4) Management deficiencies:

   a) GAO says there are "few written internal instructions" and "data showing the results of public health projects are not compiled."

   b) GAO says that USAID management requires reports on patients treated, etc., but such statistics were not compiled until July, 1970, and then only for the most recent 6-month period. Whatever data was compiled was "incomplete".

   c) GAO also noted reports of the "wholesale diversion of drugs".

   d) "As a result of the general inadequacy of records and written procedures, mission management cannot state with any degree of assurance that USAID assistance to the public health sector has been accomplished as effectively, efficiently, and economically as the situation in Laos permits."

Operation Brotherhood Project

1) GAO visited 4 of the 7 Operation Brotherhood hospitals in Laos. GAO believes the hospitals compare favorably with other medical facilities in the country. But GAO notes in particular:

   a) Overcrowded conditions of wards.

   b) Poor sanitary conditions, such as lack of bathrooms and the wearing of dirty street clothes in hospital beds.

2) Vientiane Hospital: some overcrowding, but generally "well-kept, clean, orderly".

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3) Ban Houei Sai Hospital: crowded conditions, some dirty linen, piles of dirty clothes around one of the wards, no bathroom areas.

4) Khong Sedone Hospital:

   a) Generally clean, but overcrowded,

   b) "One ward had no light bulbs at all for over 2 months...."

   c) "Although each ward had modern sanitary facilities provided -- including modern showers, etc. -- they were not working. In fact, they were being used for supply areas. We were informed that the facilities had not worked for more than a year."

5) Paksong Hospital:

   a) Normally overcrowded to over 150 percent of capacity.

   b) "The older wards were extremely dirty looking. Most of the beds did not have sheets, and those that did looked dirty.... Some windows were broken...."

   c) "Sanitary facilities were very old and not very clean...."

   d) "Overall this was the dirtiest Operation Brotherhood hospital observed...."

Village Health Project

1) Substantial segments of this chapter are classified, but fully document and support independent findings of the Subcommittee on Refugees.

   a) The Village Health Project is aimed at meeting political and security requirements in rural areas and contested zones.

   b) The Village Health Project is, in the main, a unilateral AID program with very little input from Laotian government.

   c) As noted above, to a very significant degree, the USAID Village Health Project has served as a cover for assistance to Lao military et al.

   d) Since mid-1969, the number of dispensaries supported under the Village Health Project have dropped dramatically from nearly 300 to some 200 or less, perhaps -- due to the loss of territory to enemy forces.

2) GAO observations at USAID medical facilities:

   a) Site 272 hospital, near the Plain of Jars, is the main USAID health facility. According to GAO, "this hospital consisted of three wards of open huts without screens. Cots were used for beds. There were no mattresses or sheets, and patients were in their dirty street clothes. In one of the wards, an area was used for cooking.... The wards were dirty and the general condition of this hospital seemed, even by Laotian standards, considerably substandard."

   b) GAO says a new ward building was planned at Site 272, "but we found no evidence of other USAID action to alleviate the apparent substandard conditions observed." USAID/Laos informed GAO that "the conditions prevailing were not considered inadequate and that it was not necessary or practical to improve conditions. The conditions at the hospital were, however, inferior to other medical

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facilities observed by our representatives in Laos."

c) Although Village Health Project dispensaries had somewhat crude facilities, they appeared to be "well stocked with medical supplies....'

## Occurence of Civilian War Casualties and the Mortality Rate of Refugees

1) Occurrence of civilian war casualties:

a) GAO says they found "an overall lack of complete and accurate data" in Vientiane and Washington. USAID does not maintain "reliable statistics on war casualties".

b) According to GAO, during the first six months of 1970, Village Health Project dispensaries "treated an average of about 2,000 war casualties a month, of whom about 600 were civilians...."

c) Data from USAID hospitals is "incomplete". What is available suggests that up to 40 percent of monthly casualty admissions are civilians.

d) At Operation Brotherhood Hospitals, war casualty cases were not identified until June 1970.

e) Overall civilian war casualty figures prepared by USAID for a three-year period are as follows:

| | | |
|---|---|---|
| 1967 | - | 5,500 |
| 1968 | - | 2,858 |
| 1969 | - | 3,674 |
| | | 12,032 |

f) Although the reference is classified in the GAO report, GAO supports the independent finding of the Subcommittee on Refugees that USAID statistics on civilian war casualties are "of doubtful validity".

(NOTE: The Director of the USAID Public Health program in Laos informed Subcommittee staff members in August 1970, that the civilian war casualty rate in Laos since 1968, "probably ran at least as high as that in Vietnam." What this probably means in specific numbers for Laos, with a population of less than 3 million is, that at least 30,000 civilian war casualties have occurred since early 1969. This figure includes deaths, inpatient and outpatient hospital cases, those treated in other medical facilities and those not treated at all.)

2) Mortality Rate of Refugees:

a) The bulk of data in this section of the chapter is classified, but, again, the GAO report supports independent findings of the Subcommitte

b) USAID has established a maximum mortality level for refugees. If the level is exceeded, special remedial measures are supposed to be taken.

c) Although the mortality rate at several refugee villages exceeded USAID established standards -- by as much as 250 percent -- USAID was apparently not aware of this condition prior to GAO and subcommittee staff inquiries.

d) GAO calls their observations "glaring examples of death rates which exceed USAID standards...." GAO says their examples illustrate that certain refugee villages have "urgent health problems which require corrective action by USAID...."

e) USAID/Laos advised GAO, "that they would look into these matters."

"Sanitized" Summary of GAO Report on LIMITED REVIEW OF THE REFUGEE RELIEF PROGRAM IN LAOS

Observations on USAID/Laos Management

1) Management of the extensive refugee program "has been delegated largely to the field..... Most of the records concerning the details of the operation of the program are located at USAID/Laos in Vientiane, Laos."

2) "Insufficient staffing and limited reporting" have seriously weakened the management and efficiency of the program.

3) Refugee Relief and Resettlement personnel are part of the Rural Development Division of USAID/Laos.. The number of personnel has varied considerably in recent years, and "does not show any apparent relationship to the number of refugees being assisted".

4) "A USAID/Laos audit report dated August 27, 1969, concluded that the refugee relief programs in Luang Prabang and Ban Houei Sai were not adequately supervised and controlled due to the heavy workload of the USAID/Laos officers and recommended that additional personnel be assigned to these areas." The recommendation was rejected by the USAID/Laos Director, who stated that "while recognizing the need for additional staffing, the Mission did not believe it prudent to comply with this recommendation in view of recent greatly expanded number of refugees in other provinces and given the limitations placed upon us....

5) In May 1970, because of the heavy influx of refugees from the Plain of Jars, the USAID/Laos Director finally "requested AID/Washington to raise the personnel ceiling at USAID/Laos...." On June 26, 1970, "AID/Washington approved the increase in personnel ceilings as requested. However, in view of the normal recruiting, screening, processing and training required before assignment of staff, about 9 months or more probably would elapse before relief might be forthcoming."

6) The refugee crisis in Laos over recent months has necessitated the temporary detail of personnel from other divisions to assist in refugee work. According to GAO, "the disruptive requirements" imposed by this, has "adversely affected other USAID/Las programs".

7) The U.S. Mission in Vientiane "keeps AID/Washington informed of the refugee program by submission of 2 annual reports..... These reports provide general information.... Consequently, Washington officials are not in a position to add constructive management inputs into the program."

8) GAO notes "that the only mission and functional statement provided the USAID/Lao. Rural Development Division dated back to 1962 and was completely outdated by more recent developments". Moreover, GAO found "that there were no written operating procedures and that field personnel were largely left to their own resources."

9) GAO found that "the lack of functional guidelines and operational procedures" for the USAID/Laos Rural Development Division, "inhibit programming, planning and budgeting."

   a. U.S. officials merely "react to the exigencies of the situation in the absence of overall plans which would anticipate needs."

   b. GAO found that "no contingency plans" were developed for any massive movements of refugees, such as those which have occured from the Plain of Jars and elsewhere.

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USAID Assistance to Refugees

1) Refugee program costs have been financed through a number of channels. Costs financed solely through AID in recent years are as follows:

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|---|---|
| fiscal year 1968 -- | $12,065,000 |
| fiscal year 1969 -- | 9,223,000 |
| fiscal year 1970 -- | 16,376,000 |
| fiscal year 1971 -- | 17,160,000 |

2) The annual AID costs listed above include funding in the following categories:

a. refugee relief and resettlement

b. air technical support

c. public health development

d. general technical support

e. development of rural economy

f. agricultural development

g. education development

h. and PL-480 commodities;

This chapter deals only with the first category, refugee relief and resettlement.

3) As of July 31, 1970, approximately 279 villages with more than 280,000 people were receiving assistance.

(NOTE: As of 15 January 1971, the number of people receiving assistance was approximately the same, according to AID/Washington.)

4) Relief assistance to refugees has been categorized as follows: full relief assistance, partial relief assistance, resettlement assistance, and assistance to Lao military and paramilitary forces and the latter's dependents.

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(NOTE: The Subcommittee's independent findings suggest that, of the total refugee caseload of more than 280,000, some 45 percent, or well over 100,000 persons, are in the "paramilitary forces and their dependents" category. In certain areas, especially in northern Laos, the percentages are considerably higher.)

5) According to GAO "standards for providing relief had not been established because... the situation was too unstable...."

6) According to GAO "water, food, shelter, and medical assistance are considered by AID to be initial requirements of the refugees. Additional efforts are made to locate refugees in individual family dwellings...on land designated by the Laotian Government to raise rice crops."

7) GAO observations based on visits to 18 refugee sites:

a. "We observed that the majority of the refugees were either elderly people or young people....a decided absence of the 13 to 40 year ag category of both men and women....the population of this missing category was either with friendly or enemy forces or had been killed in the conflict."

b. "A sufficient supply of rice was given to the refugees. We did note, however, that few edible animals such as chickens, ducks,

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and pigs were possessed by the refugees. Such lack of protein in the refugees diets was made up, in some instances, by a USAID/Laos distribution of canned meat."

c. "In general, the refugees were poorly clothed."

d. "We found that the water supply appeared to be inadequate at certain locations." Wells were needed at a number of locations. However, "no action" had been taken by USAID/Laos.

e. "Overcrowded and congested living conditions" were observed by GAO in a number of areas, including Vientiane Province and the Pakse region in southern Laos.

f. In these same areas, GAO observed that "much of the land provided to the refugees was inaccessible swamp land...."

g. According to GAO, "one area -- south of Sam Thang/Long Thieng along the Nka Loung Valley -- is decidedly overcrowded, containing at present approximately 78,000 refugees.... this condition has existed since the fall of Moung Souie in June and July 1969.... over crowding is resulting in the denuding of the land and places a limitation on its capacity to supply the needs of all its inhabitants."

h. GAO observed "a lack" of medical facilities at certain refugee sites. "For example, at two locations we visited in the Pakse area -- one had a population of approximately 1,200 and the other had about 800 inhabitants -- no dispensaries existed. Both of these villages...have been in existence for over a year...."

i. "Most of the villages we visited had constructed or were in process of constructing classrooms."

j. "The living standards for refugees did seem spartan at some of the villages we visited. However, it is difficult to gauge whether the refugees are living in conditions that differ markedly from those in their home villages."

Assistance to Lao Military, Paramilitary Forces, and Their Dependents

1) This chapter of the GAO report is classified, except for two paragraphs:

a. The first paragraph refers to funding of Lao military, et al through an AID sponsored Public Health Program and Air Technical Support Program.

b. The second paragraph reads as follows: "We were not able to verify the costs and other information supplied us or determine the validity of these expenditures...." However, according to USAID/Laos officials, "the amount of AID Assistance shown above as being provided during fiscal year 1970 was understated by approximately $800,000."

2) The classified sections of this chapter fully document and support the Subcommittee's independent findings based on field study and additional investigation not involving official government sources. Some of these findings are as follows:

a. AID began supporting Lao military et al., as early as 1963. Over the years this support has involved expenditures in all five military regions in Laos.

b. The decision to involve AID as a cover for such support --

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including, according to an unclassified internal USAID memorandum of January 1970, "direct military/logistical support" - was made at a high level of the U.S. government.

c. A number of agreements among U.S. government agencies have, over the last 2 or 3 years, transferred some portion of this funding responsibility from AID to more appropriate agencies -- including the Department of Defense.

d. AID assistance to Lao military et al. has involved at least food and other commodity assistance, medical care and treatment, and air support activities. A very significant measure of this assistance apparently continues.

e. In the earlier years of the Laos war, the large bulk of U.S. assistance to paramilitary forces and their dependents was allocated from AID funds officially designated for refugees. In fact, until relatively recent times the USAID refugee program was simply a euphemism to cover American assistance to persons who agreed to take up arms against the Pathet Lao.

Other Assistance to Refugees

1) As noted above, AID funding for refugees falls in at least 8 categories. The refugee relief and resettlement category was discussed above. The public health development category is discussed in the GAO report on "The Civilian Health and War Casualty Program in Laos." This chapter discusses air technical support, general technical support, development of rural economy, agriculture development, education development, and PL-480 commodities.

2) A very substantial portion of this chapter of the report is classified. The discussion of the air technical support project is classified except for two paragraphs:

a. The first paragraph merely refers to the fact that a portion of funds allocated to the AID Air Technical support Project is "refugee-related."

b. The second paragraph states: "The Air Technical Support Project provides for air transportation of personnel and material to locations within Laos where surface means of transportation are either non-existent or unsafe. Services furnished to the refugee relief program under this project generally consist of the transporting (including air drops when necessary) of food, emergency medical supplies, housing and other materials, as well as the
q air evacuation of personnel."